



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
ONE PENN CENTER, 1617 JOHN F. KENNEDY BLVD., SUITE 520
PHILADELPHIA, PA 19103-1844

PHILADELPHIA
REGIONAL OFFICE

September 21, 2022

Via ECF

The Honorable Denise Cote
United States District Judge
Southern District of New York
500 Pearl Street, Room 1910
New York, NY 10007

Re: Securities and Exchange Commission v. Blakstad, et al., Case No.
19cv6387(DLC) (S.D.N.Y.)

Dear Judge Cote:

I represent Plaintiff Securities and Exchange Commission (the "Commission") in this action, and write to update the Court on the status of the Commission's claims against the remaining defendants in this case: Donald G. Blakstad, Martha Patricia Bustos, and Robert J. Maron.

Specifically, I write to report that the Commission staff has reached settlements in principle with both Ms. Bustos and Mr. Maron, and is in the process of seeking approval from the Commission of these proposed settlements. Additionally, the Commission staff and counsel for Mr. Blakstad have had productive settlement discussions to resolve the Commission's claims against him in this litigation; however, the Commission's pending securities and offering fraud claims in the action *SEC v. Blakstad*, 20-cv-163 (DLC)(SDA) apparently pose a hurdle at this time to the parties' ability to reach agreement in this case.

Accordingly, as a result of these developments, the Commission respectfully requests that the Court suspend the case deadlines set forth in the Court's November 8, 2021, Pretrial Scheduling Order [ECF No. 51], in order to allow the Commission staff time: (1) to seek approval of the proposed settlements with Ms. Bustos and Mr. Maron; and (2) to try to reach settlement terms with Mr. Blakstad in this case. As discussed in more detail in my letter filed today in *SEC v. Blakstad*, 20-cv-163 (DLC)(SDA), the Commission staff and defense counsel have engaged in productive settlement discussions in that case, but require some additional time, among other reasons, to try to reach an agreement. I have communicated with counsel for Mr. Blakstad, Ms. Bustos, and Mr. Maron, and can report that Defendants consent to this relief. If granted, the Commission will update the Court on the status of these potential settlements within 60 days of such Order on this request.

Thank you for considering this request.

Respectfully Submitted,

Christopher R. Kelly
Christopher R. Kelly

cc: Eugene G. Iredale (via ECF)
Thomas P. O'Brien (via ECF)
Peter W. Till (via ECF)

As set forth in the 7/5/21
scheduling order, discovery
closes on September 23.

The October 7 deadlines
are extended to December
9, 2022.

James G. Kelly
9/22/22